



DANVILLE CITY COUNCIL WORK SESSION AGENDA

MUNICIPAL BUILDING

February 6, 2018

7:30 P.M.

MEETING CALLED TO ORDER

MINUTES

- A. Consideration of Approval of Minutes from Regular Work Session held on January 2, 2018.
Council Letter Number CL - 1831.

WORK SESSION ITEMS

- A. Consideration of Revising Danville City Code Section 38-80 Concerning Connection Fees for Gas Line Service.
Council Letter Number CL - 1824
- B. Consideration of Approving the Submission of the City's CEDS Projects List.
Council Letter Number CL - 1829

PROGRAM UPDATE

ECONOMIC DEVELOPMENT UPDATE

- A. Discussion of Data Center Tax Rate.
Council Letter Number CL - 1835

COMMUNICATIONS FROM

- A. City Manager
- B. Deputy City Manager
- C. City Attorney
- D. City Clerk
- E. Roll Call

CLOSED MEETING

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

- A. Motion to Convene in Closed Meeting
- B. Motion to Reconvene in Open Meeting
- C. Motion to Certify Closed Meeting

ADJOURNMENT

Council Letter

City of Danville, Virginia



CL-1831

Meeting Minutes Item #: A.

Work Session Meeting

Meeting Date: 02/06/2018

Subject: Approval of Meeting Minutes

From: Susan M. DeMasi, Clerk of Council

COUNCIL ACTION

Work Session: 2/06/2018

SUMMARY

Consideration of Approval of Minutes from Regular Work Session held on January 2, 2018.

Council Letter Number CL - 1831.

Attachments

Meeting Minutes

January 2, 2018

A Regular Work Session of the Danville City Council convened on January 2, 2018 at 7:21 p.m. in the Fourth Floor Conference Room of the Municipal Building. Council Members present were: James B. Buckner, Mayor John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, J. Lee Vogler, Jr., Sherman M. Saunders, Fred O. Shanks, III and Madison J.R. Whittle (8). L. G. "Larry" Campbell Jr., was absent. (1)

Staff Members present were: City Manager Ken Larking, City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi. Deputy City Manager Earl B. Reynolds was absent.

Mayor Gilstrap presided.

Council Member Vogler **moved** to add a brief discussion on the Ruby Archie Library designation; the Motion was seconded by Council Member Miller and was unanimously added to the Agenda as Item B.

MINUTES

Upon **Motion** by Council Member Saunders and **second** by Council Member Buckner, Minutes of the Special Work Session held on December 5, 2017 and the Regular Work Session held on December 5, 2017 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

CONSIDERATION OF APPOINTMENTS TO BOARDS AND COMMISSIONS

Vice Mayor Jones noted the Committee on Appointments met earlier this evening and makes the following recommendations:

Fair Housing Board:

Reappoint: Emmett Young and
Appoint: Tommy Bennett

Council had no objections to the recommendations and the Appointments will be put on the next Council agenda.

DISCUSSION OF NAMING OF LIBRARY AFTER RUBY B. ARCHIE

Council Member Vogler explained the Memorial Commission was appointed by the Mayor to review and discuss the possibility of adding Ruby Archie's name to the Danville Public Library. The Memorial Commission met on two different occasions, the signage and the cost estimate was presented by the City Manager; Mr. Larking noted the final cost estimate was \$2,500 to install the sign. The signage would be in line with what already exists, just adding Mrs. Archie's name on top of it. The Commission approved it, with the exception of one member, Mr. Garrison; his opposition was not with this case particularly, he is opposed to having any municipal buildings named after people. Dr. Miller questioned if they could change the sign if they don't like it and Mr. Whitfield noted they could. Mr. Vogler noted the name would be "The Ruby B. Archie Memorial Danville Public Library."

Mr. Saunders questioned if someone wanted to do something else in addition to the library being named after Mrs. Archie, can that be done if they are willing to pay for it. Mr. Vogler noted that came up in the Commission and it was his understanding that the Sorority and

January 2, 2018

group who is spearheading this are working to have a plaque placed on the inside of the entrance to tell her life story. Beyond that, they will be working with the Community Foundation in hopes of setting up a scholarship in her name for students as well.

In response to Mayor Gilstrap, Mr. Whitfield explained this is the first time the City has had the River District Design Commission as a part of this; Council tonight is talking informally and will informally agree to what they want to do. After that, Council will pass a Resolution naming the building and approving the sign, or not. If they approve the name and the sign, Council would authorize the City Manager to apply to the River District Design Commission for a Certificate of Appropriateness; they would review it, and grant the Certificate. The City would collect the money, and the sign would be installed; it would not have to come back to Council. Mr. Whitfield explained in a situation like this the City wants to make sure that it follows all the rules that any other citizen would have to.

Mayor Gilstrap stated Council's only responsibility is naming the building. The people that are in charge of fundraising are not the Commission, that is a separate unit headed up by a sorority or individuals in that sorority. Mayor Gilstrap noted he has a problem with the name. To him, "The Ruby B. Archie Memorial Library of Danville, Virginia" is too long; why not simply say, "The Ruby B. Archie Library."

Mr. Larking noted with the raising of additional funds, what likely will happen is they will have additional funds, will want to donate to the City a plaque or something else and ask that it be displayed in the Library. At that point, Mr. Larking would suggest Council ask staff to evaluate the donation and determine the best place in the library for it to be located. Mr. Whitfield explained it would probably be better for Council to accept that through a Resolution; that would include Council giving staff the right to place it in the most appropriate place in the library.

Mr. Vogler requested an informal straw poll, to put on the agenda what the Memorial Commission's recommendation was. Vice Mayor Jones noted he was in support of this, but agreed with the Mayor, the name should be "The Ruby B. Archie Library."

Mr. Saunders noted he was not prepared to vote positively in a straw poll, there are more steps that Council needs to go through. Mr. Saunders stated the Committee for the signs has not met yet and the Mayor asked for a report at the second work session in January; Mr. Saunders stated he didn't know if the Committee can have that ready and Mayor Gilstrap noted if they don't that's fine, that was a just a goal. Mr. Shanks noted his agreement with Vice Mayor Jones, "The Ruby B. Archie Public Library" would make a lot more sense. Vice Mayor Jones noted what the Commission brought to Council did not receive a consensus from Council. Mr. Whitfield noted the Commission has brought forth their recommendation, it is up to Council to determine whether they wish to accept, reject or alter that recommendation.

Mayor Gilstrap asked for a straw poll for the name of the Library, for those that support the name being simplified to what Vice Mayor Jones recommended; Mr. Shanks asked if that included "Public" and Vice Mayor Jones noted "The Ruby B. Archie Public Library." Seven members noted their support. Mayor Gilstrap noted the next step is to get it on a Council agenda, asked that a Resolution be prepared and presented to Council for approval to name it, and submit it to the Planning Commission and River District. Mr. Whitfield noted they will need a new mockup of the sign, and Mr. Larking noted he would get that.

Mr. Vogler thanked Council for their feedback and input, he was glad they had the discussion and everyone had a chance to weigh in.

ECONOMIC DEVELOPMENT UPDATES

Director of Economic Development Telly Tucker distributed a handout, *Tax Comparisons for Data Centers*, and explained at the request of the City Manager, he has put together information for Council of a comparison of tax rates specifically related to data centers in Virginia, comparing localities across the Commonwealth. Staff looked at numerous facets of that tax comparison; most importantly they looked at the cost of computer equipment as it is taxed at a local level. This often falls under the category of business personal property for a data center. The handout shows a hypothetical scenario for data centers across numerous localities in Virginia, used as a hypothetical example \$100,000,000 worth of computer equipment in a 1M square foot data center facility, and what those tax rates would be over a three year period in each of the localities.

Mr. Tucker noted there are numerous communities in Virginia that have recently created special tax rates specifically for data centers and computer equipment, as a way to attract interest from data center prospects. Staff put the information together so Council would have information on where Danville exists today, and at the bottom of the spreadsheet represents a hypothetical scenario if Danville chose to change its computer equipment tax rates to \$.40 per \$100 as opposed to the current \$3.50 per \$100, as business personal property. Mr. Vogler noted this past April, the Board of Supervisors in Henrico County cut their previous rate of \$3.50 per \$100, down to the \$.40 and they landed a billion dollar Facebook Data Center. Mr. Vogler hoped when Council had this discussion, if the lowest in the Commonwealth is \$.40 per \$100, he would like to go lower than that; he would like Danville to be the most competitive place in Virginia to open a data center.

Mayor Gilstrap asked for clarification, under Henrico and Virginia Beach, both are at \$.40, but there are different amounts that they generate, what is the difference in Year One between Henrico and Virginia Beach. Mr. Tucker explained each community's tax rate is on a percentage of market value. In Danville, Year One, it taxes 60% of the face value of the asset whereas Henrico County in Year One, taxes on 46%. Virginia Beach taxes on 40% of the original cost of the asset for the life of the asset. Each community is able to set its own depreciation schedule as it relates to that equipment. Mayor Gilstrap noted that if Danville went to \$.40, it would still be higher than Virginia Beach, in year two and three, would be higher than Henrico. Mr. Shanks noted it does not include the real estate tax; they have to pay the local real estate tax too, Danville has Henrico and Virginia Beach beat on that. Mr. Vogler explained Danville is not losing any revenue by doing this because right now, there are no data centers in Danville. Mr. Vogler noted data centers are expected to grow 12-14% each year over the next two to five years; it is a huge opportunity for Danville.

Mr. Tucker noted in the Code of Virginia there is a carve out for a definition of a data center, it has to do with the type of description of the entity, what the purpose is and how much power they use. Mr. Shanks noted it is just computer equipment with that and Mr. Tucker noted that was correct. In response to Mr. Saunders, Mr. Larking stated Danville does not have data centers currently, so reducing the rate on a business it doesn't have won't affect the City's revenue stream negatively. But if by being more competitive Danville is able to attract a new business, he would be in favor of that.

January 2, 2018

Mr. Saunders asked if the City goes to less than forty, to thirty or thirty five, does that make Danville more attractive and Mr. Tucker noted it does make the City more attractive and believed it was part of the reason why Henrico was able to attract Facebook, but it was not the only reason or the largest reason they attracted Facebook. In conversations with data centers, they spoke with many of them, the largest driver for a data center is power cost, per kilowatt hour. Mr. Larking stated the other thing Council would want to think of, in the City and County there is a certain amount of developable land for industry. If Council wants this to be in Danville, lowers the tax to make it more attractive, there is an opportunity cost, because then the available land and property is not available for some other type of business.

Mr. Tucker noted if Council chooses to follow other communities like Virginia Beach and Henrico, they would have to use a certain amount of power to justify this rate classification. The impetus for this change was very large data centers are paying millions of dollars in taxes, power and equipment, simply to host data. Mr. Shanks noted he supported creating a carve out, his concern is he wants to be fair to other computer users in the community. In terms of a data center tax rate, he supports that, and Mayor Gilstrap's suggestion of \$.35. Mr. Shanks noted he thinks it is wrong if Council doesn't figure in the total cost which includes the real estate tax. Mr. Tucker explained there are assumptions on this spreadsheet that will not happen; a million square foot building in Virginia Beach will not be assessed at the same value as a million square feet will be in Danville. A million square feet is going to pay more than \$300,000 in real estate taxes in three years in Virginia Beach. In Danville they won't. Mr. Tucker stated he wanted to illustrate for Council using some similar numbers so they could compare.

Mr. Shanks questioned, would Mr. Tucker say Danville already had the most competitive proposal here and Mr. Tucker stated of the counties that are presented, if they were looking a million square feet, he believes the \$.40 would put Danville at an advantage to every other community on the list based on the fact that assessed value of real estate is less in Danville than it would be other localities. Dr. Miller questioned if the average data center was a million square feet and Mr. Tucker noted the City is looking at all sizes. Dr. Miller questioned where the City had space that could host a data center that size and Mr. Tucker stated they could do it at the Coleman site. Dr. Miller noted his agreement with Mr. Vogler, the City is not losing any money and stated his support of the \$.35.

Mr. Saunders stated he is hearing a lot of variables and would like staff to look at this and bring back a recommendation to Council. Mr. Buckner requested a straw poll on the \$.35 recommendation for data centers and five council members noted their support. Mr. Saunders stated he stands by his request for staff to study this and bring back a recommendation to Council. Mr. Vogler noted his understanding was if a majority of Council signs off on a straw poll, that moves it forward. Five out of nine agreed to \$.35, Council doesn't need six and Mayor Gilstrap noted they needed six in a regular Council meeting to approve it; there is one Council member absent. Mayor Gilstrap questioned if it was a consensus that Council agree they want to be the most competitive in the State; can Council agree that staff bring Council a recommendation to make Danville the most competitive and Mr. Tucker noted staff would have it by the first meeting in February.

Ms. Teague Bobe explained on the 22nd of December the new Tax Reform policies were officially approved; New Market Tax Credits are safe, and the City still has an application in to the Treasury for another round of funding. The Historic Tax Credit Program at the Federal level was saved, however it did change. Instead of a developer getting full benefit after construction within that first year, it is spread out over a five year period. There is a negative

January 2, 2018

side to spreading out the benefit over a five year period, which reduces the value of the actual tax credit regardless of whether they use it themselves or sell it through a syndicator. Staff has been made aware of a way to grandfather some of the IDA and Housing Authority's properties so that the City can keep the original benefit, all the benefit come within the first year. There will be real estate transactions between the Housing Authority and IDA transferring certain properties, Five Forks, 549 High Street, White Mill, Schoolfield, Commonwealth Machine Building and 200-208 North Union Street into LLCs. The LLCs are still owned by either the IDA or the Housing Authority; transferring them into the LLCs will help recruit private development to take over the LLCs and keep them grandfathered into the original program. There is a stipulation in place where they have two years to complete the redevelopment process to be grandfathered in or if it is a phased project such as the White Mill they have five years.

In response to Dr. Miller, Ms. Teague Bobe noted the Delishi Yoghurt Shop should be open in April of this year.

CLOSED MEETING

At 8:25 p.m., Vice Mayor Jones **moved** that this meeting of the City Council of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: discussion or consideration of prospective candidates for employment, assignment, appointment, promotion, performance, salaries, discipline of a specific public employee or appointees as permitted by Subsection (A)(1) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, and more specifically to consider discussion of specific prospective candidate for employment; and discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended; and to consider an Economic Development discussion and update concerning prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950 as amended, and more specifically to consider the location of a prospective new business or industry to the area.

The Motion was **seconded** by Council Member Buckner and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Gilstrap, Jones, Miller,
Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Campbell (1)

Upon unanimous vote at 10:07 p.m., Council reconvened in open session and Vice Mayor Jones **moved** adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

January 2, 2018

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

The Motion was **seconded** by Council Member Shanks and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Gilstrap, Jones, Miller,
Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Campbell (1)

MEETING ADJOURNED AT 10:08 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-1824

Work Session Item #: A.

Work Session Meeting

Meeting Date: 02/06/2018

Subject: Proposed revision to Danville City Code 38-80-Gas Main and Service Line Extension Policy

From: Jason Grey, Utilities Director

COUNCIL ACTION

Work Session: 02/06/2018

SUMMARY

The Danville Utility Commission recommended to Danville City Council, in November 2017, revising Danville City Code Section 38-80 "Installation of service lines from main to building or meter location" to include, free of charge, three hundred feet of service line extension, from the current Code of one hundred feet. The service extension is subject to a qualifying customer using natural gas as their primary heating source and/or water heating source.

BACKGROUND

Danville Utilities supplies natural gas service to approximately 14,000 customers within the City limits and Pittsylvania County. Over the past five years, Danville Utilities has seen approximately 2,500 residential customers move away from natural gas as their primary source of heating. We anticipate that the revision in the Municipal Code will help make the City's policies more customer friendly and entice future customers to connect to the City's natural gas system.

RECOMMENDATION

Staff recommends City Council approve revising Danville Code Section 38-80 "Installation of mains and service lines from main to building or meter location," to help attract new customers to use natural gas as a primary source of heating.

Attachments

Ordinance

Revised Gas Extension Policy

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-____. ____

AN ORDINANCE AMENDING AND REORDAINING CHAPTER 38 SECTION 80 ENTITLED "INSTALLATION OF SERVICE LINE FROM MAIN TO BUILDING OR METER LOCATION" OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that Section 38-80, entitled "Installation of service line from main to building or meter location", Division 2, entitled "Gas", Article IV, entitled "Provisions Applicable To Specific Services", of Chapter 38, entitled "Utility Services" of the Code of the City of Danville, Virginia, 1986, as amended, be, and the same hereby is, amended and reordained to read as follows:

Chapter 38 – Utility Services

Article IV – Provisions applicable to specific Services

Division 2 - Gas

Sec. 38-80. – Installation of **mains and** service lines **s** from main to building or meter location.

Upon application by a prospective residential, commercial, **or industrial consumer** for a new **or upgraded** gas connection, and where the anticipated revenue therefrom justifies the extension, ~~and when continuity in the use of gas is assured the Department will at its own expense, install the gas service line from an existing gas main in the street to the building or meter location, if such service line extension does not exceed one hundred (100) feet~~ **shall analyze the expenses and revenue with an application.** ~~In cases where the service line exceeds one hundred (100) feet, the customer shall be charged with the direct cost, plus a current percent to recover overhead expense, of that part of the~~

~~extension in excess of one hundred (100) feet. The Department may waive such charge where, in its opinion, the circumstances justify. All industrial customers shall be charged for the gas service line from an existing gas main in the street to the meter location and from the meter location at direct cost, plus a current percent to recover overhead expense.~~

When forecasted gas consumption is determined and the evaluation of anticipated revenue from the upgrade or extension justifies the gas service line installation or replacement, as approved by the Director of Water and Gas, the department will install or replace the gas service line from an existing gas main in the right-of-way to a location adjacent to the building at its own expense.

This policy applies when gas main is available in public right-of-way adjacent to a customer's property.

If a customer has one or more qualifying major appliance, up to 300 feet of service line will be installed at no cost. An additional 50 feet will be installed if a customer has a second qualifying gas appliance. For each qualifying minor gas appliance, 50 feet will be installed free regardless of whether a customer has a qualifying major gas appliance.

Service footages are measured along the actual installation route beginning at the customer's property-line. All service footages not free are \$5 per foot for up to two inch plastic. If the City will incur unreasonable expenses because of the main location or site conditions, either the customer will bear these costs or service will not be extended. Restoration expenses on private property like concrete, asphalt, sod, and landscaping will be additionally charged directly to the customer. Site issues like railroad, rock, creek, wetlands, steep grades, landscaping and wide rights-of-way may make installation prohibitively expensive.

If a main is not accessible to a customer or group of customers, a feasibility evaluation will be performed to determine if such gas main extensions is justified.

Industrial meters may be installed at an alternative location as determined by the Department.

AND BE IT FURTHER ORDAINED that all other provisions and Paragraphs, Subparagraphs, and Sections of said Article, Chapter, and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed; and

BE IT FINALLY ORDAINED that this Ordinance shall be and become effective on _____.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney



City of Danville
Department of Utilities

Gas Main and Service-line Extension Policy

Danville City Council
February 6, 2018

Proposed Policy for Gas Service-lines and Main Extensions

NATURAL GAS MAIN AND SERVICELINE EXTENSION POLICY

Residential Service Policy

This policy applies when gas main is available in public right-of-way adjacent to a customer's property.

If a customer has one or more qualifying major gas appliance, up to 300 feet of service line will be installed at no cost. An additional 50 feet will be installed if a customer has a second qualifying major gas appliance. For each qualifying minor gas appliance, 50 feet will be installed free regardless of whether a customer has a qualifying major gas appliance.

Service footages are measured along the actual installation route beginning at the customer's property-line. All service footages not free are \$5 per foot for up two inch plastic. If the City will incur unreasonable expenses because of the main location or site conditions, either the customer will bear these costs or service will not be extended. Restoration expenses on private property like concrete, asphalt, sod, and landscaping will be additionally charged directly to the customer. Site issues like railroad, rock, creek, wetlands, steep grades, landscaping and wide rights-of-way may make installation prohibitively expensive.

Qualifying Major Gas Appliances:

- Vented space heating for use as primary heat
- Water heaters: Tank-less or storage tank

Qualifying Minor Gas Appliances:

- Dryer
- Range
- Grill
- Pool Heater
- Stand-by Generator

Proposed Policy for Gas Service-lines and Main Extensions cont'd

Meter Locations

Meters all need to be located safe from vehicular and equipment damage, away from electrical ignition sources and air intakes in the unlikely event that a regulator vents gas. The preferred residential meter location is within five feet of the front of the house on the opposite side of the house as the driveway, if one exists, *or* along the front of the house. Commercial meters will be installed at the building in a mutually agreeable location. Industrial meters will be installed at a mutually agreeable location.

Commercial and Industrial Service Policy

When gas main is available adjacent to a property, the terms described in the Residential Service Policy above apply as a minimum and, if necessary, an economic analysis may be performed if equipment schedules and estimates of annual consumption are available to determine the cost to the customer. Additionally, commercial and industrial customers must install protective meter bollards if there is risk of vehicular damage or agree to locate the meter in an area safe from vehicular travel. Industrial customers may need to provide access, power and communications to a site as well.

Main Extensions If natural gas is not currently available adjacent to your property: A potential customer or group of customers requesting service where mains are not presently available may submit a request to the Water & Gas Engineering Department to make a determination whether a project is economically feasible or what contribution from customer (s) would make it so.

Ordinance Sec. 38-80 Original Language:

- **Installation of mains and service-lines from main to building or meter location.**

Upon application by a prospective residential or commercial consumer for a new gas connection and when continuity in the use of gas is assured and **where the anticipated revenue therefrom justifies the extension**, the Department will, at its own expense, install the gas service line from an existing gas main in the street to the building or the meter location, if such service line extension does not exceed one hundred (100) feet.

In cases where the service line exceeds one hundred (100) feet, the customer shall be charged with the direct cost, plus a current percent to recover overhead expense, of that part of the extension in excess of one hundred (100) feet. **The Department may waive such charge where, in its opinion, the circumstances justify.**

All industrial customers shall be **charged for the gas service line from an existing gas main in the street to the meter location and for the meter installation at direct cost, plus a current percent to recover overhead expense.**

Proposed Ordinance Revision Sec. 38-80

Installation of ~~mains and service-lines~~ from main to building or meter location.

Upon application by a prospective residential, commercial, **or industrial** consumer for a new **or upgraded** gas connection, and ~~when continuity in the use of gas is assured~~ **the Department** ~~will at its own expense, install the gas service line from an existing gas main in the street to the building or the meter location, if such service line extension does not exceed one hundred (100) feet shall analyze the expenses and revenue associated with the application. In cases where the service line exceeds one hundred (100) feet, the customer shall be charged with the direct cost, plus a current percent to recover overhead expense, of that part of the extension in excess of one hundred (100) feet. The Department may waive such charge where, in its opinion, the circumstances justify. All industrial customers shall be charged for the gas service line from an existing gas main in the street to the meter location and fro the meter installation at direct cost, plus a current percent to recover overhead expense.~~ **When forecasted gas consumption is determined and the evaluation of anticipated revenue from the upgrade or extension justifies the gas service line installation or replacement, as approved by the Water & Gas Director, the Department will install or replace the gas service line from an existing gas main in the right-of-way to a location determined by the utility and adjacent to the building at its own expense.**

Sec. 38-80. Rev (cont'd)

- Installation of **mains and service-lines** from main to building or meter location.

This policy applies when gas main is available in public right-of-way adjacent to a customer's property.

If a customer has one or more qualifying major gas appliance, up to 300 feet of service line will be installed at no cost. An additional 50 feet will be installed if a customer has a second qualifying gas appliance. For each qualifying minor gas appliance, 50 feet will be installed free regardless of whether a customer has a qualifying major gas appliance.

Service footages are measured along the actual installation route beginning at the customer's property-line. All service footages not free are \$5 per foot for up two inch plastic. If the City will incur unreasonable expenses because of the main location or site conditions, either the customer will bear these costs or service will not be extended. Restoration expenses on private property like concrete, asphalt, sod, and landscaping will be additionally charged directly to the customer. Site issues like railroad, rock, creek, wetlands, steep grades, landscaping and wide rights-of-way may make installation prohibitively expensive.

If a main is not accessible to a customer or group of customers, a feasibility evaluation will be performed to determine if such gas main extensions is justified.

Industrial meters may be installed at an alternative location as determined by the Department.

Proposed Revision Ordinance Sec. 38-80

Installation of mains and service-lines from main to building or meter location.

Upon application by a prospective residential, commercial, or industrial consumer for a new or upgraded gas connection, the Department shall analyze the expenses and revenue associated with the application. When forecasted gas consumption is determined and the evaluation of anticipated revenue from the upgrade or extension justifies the gas service line installation or replacement, as approved by the Water & Gas Director, the Department will install or replace the gas service line from an existing gas main in the right-of-way to a location adjacent to the building at its own expense.

This policy applies when gas main is available in public right-of-way adjacent to a customer's property.

If a customer has one or more qualifying major gas appliance, up to 300 feet of service line will be installed at no cost. An additional 50 feet will be installed if a customer has a second qualifying gas appliance. For each qualifying minor gas appliance, 50 feet will be installed free regardless of whether a customer has a qualifying major gas appliance.

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If a main is not accessible to a customer or group of customers, a feasibility evaluation will be performed to determine if such gas main extensions is justified.

Industrial meters may be installed at an alternative location as determined by the Department.

Council Letter

City of Danville, Virginia



CL-1829

Work Session Item #: B.

Work Session Meeting

Meeting Date: 02/06/2018

Subject: 2018-2019 Comprehensive Economic Development Strategy (CEDS)

From: Telly D. Tucker, Economic Development Director

COUNCIL ACTION

Work Session: 02/06/2018

SUMMARY

The West Piedmont Planning District Commission's (WPPDC) Comprehensive Economic Development Strategy (CEDS) Priority Projects list provides the basis for the receipt of federal Economic Development Administration (EDA) funds to help underwrite the costs of local projects. The EDA requires that regional plans be updated annually.

BACKGROUND

The West Piedmont Planning District Commission (WPPDC) has started work on the 2018-2019 CEDS update. Due to a shift in the plan development and submission process by the U.S. Department of Commerce, Economic Development Administration, the timeframe to submit the Regional Comprehensive Economic Development Strategy by March 31, 2018.

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution, which will approve the submission of the City's CEDS Projects List, as shown in the attached document, for 2018-2019. City Council's adoption of the attached Resolution also authorizes the City Manager to submit the required letter of endorsement.

Attachments

Resolution

2018-2019 EDA CEDS Danville, VA

PRESENTED: _____

ADOPTED: _____

RESOLUTION 2018-____.____

A RESOLUTION APPROVING THE SUBMISSION OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY PRIORITY PROJECTS FOR MAINTAINING DANVILLE'S STATUS AS A REDEVELOPMENT AREA UNDER THE ECONOMIC DEVELOPMENT ADMINISTRATION'S PROGRAM.

WHEREAS, the City of Danville desires to maintain its status as a redevelopment area under the Economic Development Administration and desires to be covered by the 2018-2019 Comprehensive Economic Development Strategy (CEDS) for the West Piedmont Planning District; and

WHEREAS, the City of Danville would like to submit its list of projects for the CEDS priority projects listing, a copy of which is attached hereto.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the City Manager be, and he is hereby, authorized and directed to submit Danville's CEDS project list and endorsement letter.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
PRIORITY PROJECTS
April 1, 2018 - March 31, 2019

Project	Priority /Type	Description	Funding Source	Amount	
Riverview Industrial Park - City of Danville	1/I	Grade a 25+/- acre pad on Lot FF in Riverview Industrial Park for industrial project recruitment	Local EDA	\$ 250,000 \$ 250,000	\$
South Union and North Union Streetscape and Utility Improvements - City of Danville	1/I	Streetscape improvements consistent with the River District development program.	EDA VDOT Local	\$ 550,000 \$ 500,000 \$ 550,000	\$
Schoolfield Infrastructure Improvements - City of Danville	1/I	Demolition of tunnels, open foundations, and finishing plant	EDA Local	\$ 2,500,000 \$ 2,500,000	\$
White Mill Redevelopment - City of Danville	1/I	Electric transmission lines and substation to accommodate redevelopment of the White Mill, formerly served by Dan River and AEP	EDA Local	\$ 2,500,000 \$ 3,500,000	\$
River District Parking Facility - City of Danville	1/I	Construct a new parking facility with retail and office space to accommodate parking demand in the River District	EDA Local	\$ 9,900,000 \$ 9,900,000	\$ 1
Riverside Drive Trail Extension City of Danville	1/I	Extend Riverwalk Trail towards Riverside Drive for eventual connection to Mount Cross Road	VDOT Local EDA	\$ 164,000 \$ 20,500 \$ 20,500	\$
600 Block Main Street Streetscape City of Danville	1/I	Streetscape improvements from Ridge Street to Floyd Street	VDOT Local EDA	\$ 350,000 \$ 175,000 \$ 175,000	\$
Mount Cross Road Improvements City of Danville	1/I	Widen Mount Cross Road from Lowes Drive to Dimon Drive (Averett North) including sidewalk	VDOT Local EDA	\$ 5,800,000 \$ 50,000 \$ 50,000	\$
Berry Hill Regional Industrial Park Industrial Connector Road - City of Danville and Pittsylvania County	1/II	Construct an industrial access road to improve traffic flow to Berry Hill Regional Industrial Park	FHWA VDOT EDA Local VTC	\$ 5,000,000 \$ 5,000,000 \$ 1,000,000 \$ 13,000,000 \$ 1,000,000	\$ 2
Site Improvements at the Coleman Industrial Site - City of Danville	1/II	Site improvements to include grading and sanitary sewer, electrical service and misc. infrastructure development	EDA Local	\$ 4,700,000 \$ 6,495,182	\$ 1
Site Improvements at Cane Creek Centre Industrial Park - City of Danville & Pittsylvania County - Lot 10.	1/II	Site improvements to include access road, grading, and sanitary sewer for Lot 10.	EDA VTC Local	\$ 3,000,000 \$ 1,500,000 \$ 400,000	\$

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
PRIORITY PROJECTS
April 1, 2018 - March 31, 2019

Project	Priority /Type	Description	Funding Source	Amount	
Berry Hill Regional Industrial Park - Danville & Pittsylvania County	1/II	Extension of electric service to Berry Hill Regional Industrial Park through AEP. Relocation of an existing 69kV line on Lot 4 in order to grade the first pad in the park. To conduct a routing analysis acquire permits, and ROW acquisition for a new electric service to the park.	EDA Local VTC City County	\$ 1,720,200 \$ 250,000 \$ 1,279,800 \$ 525,000 \$ 525,000	\$
Berry Hill Regional Industrial Park - Danville & Pittsylvania County	1/II	Natural gas engineering and infrastructure development	EDA Local VTC	\$ 3,000,000 \$ 2,000,000 \$ 1,000,000	\$
River Front Park - City of Danville	1/II	Development of a park area adjacent to the Martin Luther King Jr. bridge in accordance with the River District development program.	Local EDA	\$ 2,500,000 \$ 2,500,000	\$
Industrial Shell Building - Danville & Pittsylvania County	1/II	Construct a new jointly funded City / County 100,000 SF industrial shell building to assist with marketing to industry desiring an expedited location decision and to modify the current inventory of buildings suited for modern manufacturing.	EDA Local	\$ 1,850,000 \$ 1,850,000	\$
Industrial Shell Building - Danville & Pittsylvania County	1/II	Construct a new jointly funded City / County 30,000 SF industrial shell building to assist with marketing to industry desiring an expedited location decision and to modify the current inventory of buildings suited for modern manufacturing.	EDA Local	\$ 1,000,000 \$ 1,000,000	\$
Schoolfield Reservoir City of Danville	1/II	Repurpose reservoir for raw water storage usage and improved reliability for water treatment	EDA Local	\$ 1,500,000 \$ 1,500,000	\$
Riverfront Trail Extension City of Danville	1/II	Extend Riverwalk Trail from future Riverfront Park along White Mill Canal to Union Street Bridge Road	VDOT Local EDA	\$ 358,000 \$ 102,000 \$ 102,000	\$
Riverside Drive and Audubon Road Improvements City of Danville	1/II	Intersection, sidewalk, and drainage improvements	VDOT Local EDA	\$ 216,000 \$ 108,000 \$ 108,000	\$
Sandy Creek Sewer Reconstruction City of Danville	1/II	Reconstruction of existing sanitary sewer	Local EDA	\$ 400,000 \$ 400,000	\$
South Ramp Improvements at Danville Regional Airport City of Danville	1/II	Reconstruction of the south apron and taxiway repairs	EDA Local	\$ 1,365,000 \$ 1,365,000	\$

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

PRIORITY PROJECTS

April 1, 2018 - March 31, 2019

Project	Priority	Description	Funding	Amount	
Berry Hill Regional Industrial Park on and off-site Rail Construction - Danville & Pittsylvania County	1/III	New on-site rail construction and off-site improvements for Berry Hill Regional Industrial Park	VA-RPT	\$ 3,125,000	\$ 1
			Norfolk Sth	\$ 3,125,000	
			VTC	\$ 625,000	
			EDA	\$ 625,000	
			Local	\$ 5,000,000	
Revolving Loan Fund - City of Danville	2/I	Augment existing program given increased demand	EDA	\$ 150,000	\$
			IDA	\$ 99,000	
Water & Gas System Improvement - City of Danville	2/I	Elevated water storage tank and pumping station and water and gas mains for South Danville Corridor, an unserved area	EDA	\$ 4,500,000	\$
			Local	\$ 4,500,000	
City Auditorium Renovations City of Danville	2/II	Complete renovation of the City Auditorium that was built in 1932, housing a 1,000 seat auditorium in the heart of the River District.	EDA	\$ 6,650,000	\$ 1
			Local	\$ 6,650,000	
Whitewater Course City of Danville	2/II	Complete the engineering and construction of a world-class white water course using an existing canal located in the River District and also connecting it into the Dan River	EDA	\$ 1,350,000	\$
			Local	\$ 1,350,000	
Water Treatment Plant Phase II Improvements - City of Danville	2/II	Construct Phase II Improvements to the City's Water Treatment Plant. Improvements will include sludge removal equipment in the sedimentation basins, new turbine flocculators, particle counters, new filter consoles, etc. Preliminary Engineering report has been completed for this project. In addition, there will be concrete repair, pump replacement, chemical feeder replacement, etc.	EDA	\$ 2,750,000	\$
			Local	\$ 2,750,000	
Northside Wastewater Treatment Plant - City of Danville	2/III	Phase III Improvements, City of Danville Dual Grit Removal	EDA	\$ 1,000,000	\$
			Local	\$ 1,000,000	
Wilson Street Streetscape City of Danville	2/III	Streetscape improvements from Bridge Street to Lynn Street	VDOT	\$ 500,000	\$
			Local	\$ 250,000	
			EDA	\$ 250,000	

Council Letter

City of Danville, Virginia



CL-1835

Work Session Item #: A.

Work Session Meeting

Meeting Date: 02/06/2018

Subject: Discussion of Data Center Tax Rate

From: Susan M. DeMasi, Clerk of Council

COUNCIL ACTION

Work Session: 02/06/2018

SUMMARY

At the January 2, 2018 Work Session, Director of Economic Development Telly Tucker discussed tax comparisons of localities in Virginia, for data centers. City Council discussed a competitive tax rate applicable to certain sized data centers in Danville, and several Council Members requested that staff study this further and bring back a recommendation to Council.

BACKGROUND

At City Council's retreat last year, Council discussed one of their focus areas, Grow Danville, and as one initiative, trying to attract Data Centers to Danville. Other localities have adjusted their tax rate specifically to try and attract data centers, and Council Members discussed the possibility of Danville changing their tax rate for data centers to be more competitive than other localities.

Attachments

No file(s) attached.
